

EXHIBIT 1

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May 4, 2012

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To The Honorable Judge Martin L. Nigg:

We write in response to the letter from the Court of Justice of Liechtenstein in Vaduz (the "Court") dated February 28, 2012 (the "Letter"). Irving H. Picard (the "Trustee") understands that the Liechtenstein Office of the Public Prosecutor (the "Prosecutor") seeks information from the Trustee of the estate of Bernard L. Madoff Investment Securities (the "BLMIS Estate"), regarding the criminal investigation of Urszula Radel-Leszczyński ("Radel-Leszczyński") for money laundering under § 165 paras. 1 to 3 of the Liechtenstein Criminal Code (the "Application").

The Trustee was appointed to oversee the liquidation of the BLMIS Estate.¹ In accordance with this appointment, the Trustee is required to investigate the scope of the fraud that bankrupted the BLMIS Estate and recover monies belonging to it. In furtherance of his duties, the Trustee and his counsel have identified certain activities relating to Radel-Leszczyński in Liechtenstein that may have harmed the BLMIS Estate.² Specifically, the Trustee understands that the Court has frozen assets belonging to Radel-Leszczyński under the suspicion that they are illicit proceeds from her dealings with BLMIS and Bernard L. Madoff ("Madoff").³

¹ See Order of Judge Louis L. Stanton, United States District Judge for the Southern District of New York, dated December 15, 2008, attached hereto as Exhibit A.

² See Picard v. Kohn, Adv. Pro. No. 10-05411 (BRL) (Bankr. S.D.N.Y. April 6, 2012) (the "RICO Action") and Picard v. HSBC Bank PLC, Adv. Pro. No. 09-1364 (BRL) (Bankr. S.D.N.Y. Dec. 5, 2010) (the "HSBC Action"). The Complaints in the RICO and HSBC Actions, as well as the Amended RICO Case Statement, are attached hereto as Exhibits B, C, and D, respectively.

³ Radel-Leszczyński's access to Madoff and BLMIS came as a result of her close working relationship with Sonja Kohn. The Trustee has alleged that Radel-Leszczyński conspired with Sonja Kohn, among others, to illegally profit off of their unique access to Madoff and BLMIS. See RICO Complaint at ¶¶ 356-365 and 427-435.

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Hence, the Trustee joined the Court's criminal proceeding 11UR2010.233 against Radel-Leszczyński (the "Action") on March 16, 2012 and the related criminal proceeding against Sonja Kohn.

The Trustee alleges that Radel-Leszczyński had a close personal and professional relationship with Madoff. She corresponded regularly with him. All the while, Radel-Leszczyński conspired to conceal the role of BLMIS and Madoff in the "fund of funds" business that she operated in Austria to: (i) avoid regulatory and investor scrutiny; (ii) bolster the deception that the investment funds she created and/or managed were invested in each other, which fostered the illusion of promised diversification; (iii) disguise the fact that her fund of funds business did nothing but feed money into BLMIS; and (iv) collect millions in fees for services that were never provided. The Trustee further alleges that Radel-Leszczyński received fraudulent conveyances related to her dealings with Madoff which belong to the BLMIS Estate.

The Trustee met with the Prosecutor on February 9 and April 23, 2012. As the Trustee expressed during those meetings, he looks forward to assisting the Court in the Action in accordance with his duties as Trustee and his role as Private Participant. As such, in response to the Letter, the Trustee submits the following information about his claims against Radel-Leszczyński in the RICO and HSBC Actions.⁴

1. Do you have any impression that Urszula Radel-Leszczyński provided any services for Bernard Madoff and/or for funds in which Bernard Madoff was involved?

Yes. The Trustee alleges that Radel-Leszczyński provided services to, or was involved in the creation of, several "feeder" funds that were wholly invested through Madoff and BLMIS and the companies that purported to service them. For example, the Trustee alleges that:

Radel-Leszczyński's Relationship with Madoff

- Radel-Leszczyński used her unique access to Madoff and BLMIS to facilitate the creation of several investment advisory accounts at BLMIS. She traveled to BLMIS's offices in New York two to three times a year. She also corresponded regularly with Madoff and certain BLMIS employees. For example, the Trustee has alleged that Radel-Leszczyński profusely and obsequiously thanked Madoff for "granting" her an account for her investment fund Senator Fund SPC ("Senator").⁵

⁴ Because both the RICO and HSBC Actions are in the initial procedural phases, the Trustee has not yet had the opportunity to conduct document discovery or examine witnesses.

⁵ See RICO Complaint at ¶¶ 135 and 434; HSBC Complaint at ¶ 121.

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Radel-Leszczynski Joins Bank Austria

- In 1996, Bank Austria AG (“Bank Austria”) hired Radel-Leszczynski to work for its wholly-owned subsidiary Bank Austria Worldwide Fund Management Ltd. (“BA Worldwide”). The Trustee alleges that BA Worldwide existed only to service BLMIS feeder funds. Bank Austria already had the necessary infrastructure to service the BLMIS feeder funds, and used BA Worldwide as a “slush fund” to distribute ill-gotten proceeds from Primeo.⁶ In 2000, Radel-Leszczynski became the president of BA Worldwide. BA Worldwide was the investment manager to BLMIS feeder fund Primeo Fund (“Primeo”) and received at least \$55 million in management fees. BA Worldwide also served as the investment advisor to Primeo. At all relevant times, Madoff acted as the investment manager and investment advisor to Primeo.⁷
- Radel-Leszczynski was a director of Primeo and became known as its “figurehead.” Primeo fed at least \$371 million into BLMIS directly. Primeo also fed investor funds into BLMIS indirectly through other BLMIS feeder funds related to Sonja Kohn, Radel-Leszczynski, and Bank Austria.⁸
- BA Worldwide, under Radel-Leszczynski, was also the investment advisor to Thema International Fund (“Thema”).⁹ Thema was wholly invested in BLMIS and fed at least \$132 million directly into BLMIS until its collapse. At all relevant times, Madoff acted as the investment manager and investment advisor to Thema.¹⁰

UniCredit Hires Radel-Leszczynski

- In 2007, UniCredit S.p.A.’s wholly-owned subsidiary, Pioneer Alternative Investment Management Ltd. (“Pioneer”), acquired the Primeo business from Bank Austria and retained Radel-Leszczynski to continue managing Primeo’s BLMIS account. Immediately following her retention, Radel-Leszczynski, on behalf of Pioneer, invested Primeo indirectly through BLMIS feeder funds Herald Fund SPC (“Herald”), Alpha Prime Fund Limited (“Alpha Prime”), and Thema.¹¹

⁶ See RICO Complaint at ¶¶ 358 and 361 – 365.

⁷ See RICO Complaint at ¶¶ 130, 135, 346, and 357 – 359; HSBC Complaint at ¶ 111.

⁸ See RICO Complaint at ¶ 470; HSBC Complaint at ¶ 111.

⁹ See HSBC Complaint at ¶ 72.

¹⁰ See RICO Complaint at ¶ 360.

¹¹ See RICO Complaint at ¶ 470; HSBC Complaint at ¶ 111.

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- Herald was wholly invested through BLMIS and fed \$1.5 billion into BLMIS until its collapse.¹² At all relevant times, Madoff acted as the investment manager and investment advisor to Herald.¹³
- Radel-Leszczyński purported to conduct due diligence on Primeo, Alpha Prime, and Thema. Radel-Leszczyński also purported to conduct due diligence on Herald, which invested through BLMIS indirectly through Primeo, Alpha Prime, and Thema.¹⁴

Radel-Leszczyński Creates BLMIS Investment Vehicles

- In 2003, Radel-Leszczyński created, and subsequently controlled and served as director of, Alpha Prime. Radel-Leszczyński created and managed the Alpha Prime BLMIS account which fed at least \$400 million into BLMIS over five years.¹⁵
- Also created in 2003, Alpha Prime Asset Management (“APAM”) was the investment manager to Alpha Prime. BA Worldwide served as the investment advisor to Alpha Prime. In reality, however, Madoff acted as the investment manager and investment advisor to Alpha Prime.¹⁶ Radel-Leszczyński and other defendants involved with Alpha Prime were aware of this fact.¹⁷
- In 2006, Radel-Leszczyński also created, and controlled, Senator. Senator was wholly invested through BLMIS. Radel-Leszczyński created and managed the Senator BLMIS account which fed at least \$247 million into BLMIS over two years.¹⁸
- Also created in 2006, Regulus Asset Management Limited (“Regulus”) was the investment manager to Senator. The Trustee alleges that Radel-Leszczyński received management fees generated by Regulus. In reality, however, Madoff acted as the investment manager and investment advisor to Senator.¹⁹ Radel-

¹² See RICO Complaint at ¶ 222.

¹³ See HSBC Complaint at ¶ 15.

¹⁴ See RICO Complaint at ¶ 433.

¹⁵ See RICO Complaint at ¶ 428; HSBC Complaint at ¶¶ 60, 111, and 232.

¹⁶ See HSBC Complaint at ¶ 72.

¹⁷ See RICO Complaint at ¶ 30.

¹⁸ See RICO Complaint at ¶ 431; HSBC Complaint at ¶¶ 61, 111, and 234.

¹⁹ See HSBC Complaint at ¶ 78.

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Leszczynski and other defendants involved with Senator were also aware of this fact.²⁰

2. If the answer to the question was "yes": Are there written fee notes in respect of these services and could you submit these, or copies of them?

No. The Trustee has not yet had the opportunity to take evidence regarding Radel-Leszczynski's role with BLMIS, BLMIS feeder funds, the entities that serviced them, and individuals affiliated with these companies. As such, he has not been able to subpoena her financial records or those belonging to Bank Austria, BA Worldwide, Primeo, Alpha Prime, Pioneer, Senator, Herald, Thema, APAM, and Regulus. At this time, the Trustee does not have any fee notes indicating the transfer of money from these funds to Radel-Leszczynski. The Trustee, however, alleges that Radel-Leszczynski received substantial fees in connection with her various roles creating and servicing these BLMIS feeder funds and associated management companies that she created and controlled.

3. What do you know about the relationship between Urszula Radel-Leszczynski and Bernard Madoff?

(i) Relationship with Madoff

The Trustee alleges that Radel-Leszczynski was involved with Madoff and BLMIS since at least 1996.²¹ Radel-Leszczynski was in regular communication with Madoff in New York.²² She traveled to New York two or three times a year to meet with Madoff and to discuss the BLMIS accounts she created and serviced.²³ Radel-Leszczynski communicated directly with Madoff and Frank DiPascali ("DiPascali"), the financial chief and a key employee at BLMIS, regarding these accounts.²⁴ Additionally, she caused new BLMIS accounts to be opened in New York.²⁵

(ii) Madoff Proceeds

The Trustee alleges that Radel-Leszczynski received substantial fees in connection with her various roles creating and servicing these BLMIS feeder funds. Werner Kretschmer, a former Bank Austria and BA Worldwide director, admitted the fees collected by BA Worldwide in relation to Primeo were distributed among Bank

²⁰ See RICO Complaint at ¶ 30.

²¹ See RICO Complaint at ¶ 135.

²² See RICO Complaint at ¶ 135; HSBC Complaint at ¶ 121.

²³ See RICO Complaint at ¶ 135.

²⁴ See RICO Complaint at ¶ 433.

²⁵ See RICO Complaint at ¶ 135; HSBC Complaint at ¶ 122.

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Austria executives, including BA Worldwide executives.²⁶ The Trustee alleges that Radel-Leszczyński would have been among the executives to receive these payments.²⁷

The Trustee understands from the Court's Liechtenstein case file that Radel-Leszczyński also received payments from APAM and Regulus.

(iii) BA Worldwide and Primeo

From 2000-2007, Radel-Leszczyński was the president of BA Worldwide, and directly responsible for its management and operations.²⁸ Her duties at BA Worldwide included the management and servicing of BLMIS feeder funds. The Trustee alleges, however, that BA Worldwide never provided any actual services to these funds.²⁹

(iv) Alpha Prime and Senator

Beyond her role as President of BA Worldwide, Radel-Leszczyński, Kohn, and Stefan Zapotocky ("Zapotocky") created Alpha Prime in 2003, a functional "clone" of Primeo.³⁰ BA Worldwide served as the investment advisor to Alpha Prime, earning 0.2% of the net asset value of the fund.³¹ These fees eventually totaled at least \$13 million.³²

In 2006, Radel-Leszczyński created another Primeo "clone," Senator, whose direct BLMIS account she arranged with Madoff personally in a July 2006 meeting at the BLMIS offices in New York.³³ Radel-Leszczyński personally notified Madoff in writing that any questions regarding Primeo, Alpha Prime, or Senator were to be directed to her.³⁴ Radel-Leszczyński regularly corresponded with BLMIS regarding Senator.³⁵

²⁶ See RICO Complaint at ¶ 363.

²⁷ See RICO Complaint at ¶ 363.

²⁸ See RICO Complaint at ¶¶ 130 and 357; HSBC Complaint at ¶ 111.

²⁹ See RICO Complaint at ¶¶ 361 and 362.

³⁰ See RICO Complaint at ¶ 428; HSBC Complaint at ¶¶ 60 and 232.

³¹ See RICO Complaint at ¶ 360; HSBC Complaint at ¶ 72.

³² See RICO Complaint at ¶ 360.

³³ See RICO Complaint at ¶ 430 and 434; HSBC Complaint at ¶¶ 61 and 234.

³⁴ See RICO Complaint at ¶ 435.

³⁵ See RICO Complaint at ¶ 434.

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(v) APAM and Regulus

The Trustee alleges that APAM and Regulus purported to act as investment managers to Alpha Prime and Senator, respectively.³⁶ In February 2003, just after APAM was formed, APAM hired BA Worldwide as the investment advisor to Alpha Prime. The Trustee alleges that APAM and Regulus directed funds into BLMIS and received investor funds from BLMIS. APAM received at least \$16 million in performance fees.³⁷ Again, at all relevant times, APAM did not perform any services on behalf of Alpha Prime.³⁸

The amount of fees paid to Regulus are, at this time, unknown by the Trustee.³⁹ The Trustee has yet to uncover APAM and Regulus's ownership structure.

(vi) Pioneer and Herald

In 2007, Pioneer bought the Primeo business from Bank Austria. The Trustee alleges that Pioneer hired Radel-Leszczynski during this time as a necessary measure to retain Primeo's access to BLMIS.⁴⁰ Pioneer invested Primeo with BLMIS through the Herald, Alpha Prime, and Thema feeder funds.⁴¹

4. Do you have any impressions that Urszula Radel-Leszczynski had any knowledge about Bernard Madoff's actions prior to his arrest in December 2008, i.e. actions on account of which he was eventually sentenced on 29 June 2009?

The Trustee does not allege that Radel-Leszczynski knew Madoff was running a Ponzi scheme. The Trustee alleges, however, that Radel-Leszczynski had unique access to Madoff and BLMIS.

5. Do you have a counterpart or copy of the judgment against Bernard Madoff of 29 June 2009 and if so, can you make a copy of this available for the present proceedings?

Yes. See Madoff's Plea Transcript⁴² and the Judgment in his criminal action⁴³ attached hereto as Exhibits E and F, respectively.

³⁶ See HSBC Complaint at ¶¶ 77 and 78.

³⁷ See HSBC Complaint at ¶ 77.

³⁸ See HSBC Complaint at ¶ 15.

³⁹ See HSBC Complaint at ¶ 78.

⁴⁰ See RICO Complaint at ¶ 470; HSBC Complaint at ¶¶ 76 and 111.

⁴¹ See RICO Complaint at ¶ 474.

⁴² U.S. v. Madoff, 1:09 CR 00213-0001 (DC) (S.D.N.Y. March 12, 2009).

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6. Are you prepared to appear before the Court of Justice in Liechtenstein in Vaduz for a possibly necessary examination and/or final hearing or would you prefer, if necessary, to be examined by way of request for legal assistance?

The Trustee has no personal knowledge of Radel-Leszczynski's activities. Rather, the Trustee's claims are based on documentary evidence or testimony taken in connection with his ongoing investigation of Madoff's crimes and the damage they caused the BLMIS Estate. The Trustee will submit further relevant documentary evidence to the Prosecutor and the Court in relation to the Radel-Leszczynski criminal proceeding in accordance with his role as Private Participant. The Trustee's first documentary submission is forthcoming. The Trustee looks forward to cooperating with the Prosecutor and the Court in any mutually beneficial and acceptable manner.

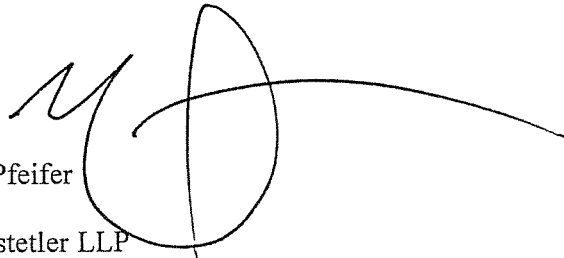
Please feel free to contact me directly on behalf of the Trustee with any further questions on this matter.

Tel: +01 212.589.4260

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Email: tpfeifer@bakerlaw.com

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'M' followed by a large, loopy 'P' that extends horizontally to the right.

Timothy S. Pfeifer

Baker & Hostetler LLP
Attorneys for the Trustee

⁴³ U.S. v. Madoff, 1:09 CR 00213-0001 (DC) (S.D.N.Y. June 29, 2009).